To The

Stock holders

of

North Carolina Railroad Company

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COL. GEORGE WASHINGTON FLOWERS
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To the Stockholders of the North Carolina Rail Road Company, and the Atlantic & North Carolina Rail Road Company.

NEW-BERNE, N. C., April 30th, 1869.

The undersigned, appointed a Committee by the Board of Directors of the A. & N. C. R. R. to prepare, arrange and have published suitable matter for distribution among the Stockholders of your two Companies, would respectfully call your attention to an Act of the General Assembly of North Carolina, in relation to the Consolidation of the two corporations which you compose, and likewise to a letter of the late Hon. John M. Morehead, and two communications from other eminent citizens which are herewith published.

These communications present an array of facts upon the subject of consolidation of the deepest importance to the people of North Carolina, and show clearly to every unbiased reader the necessity for the measure authorized by the Act referred to. They should be deeply and seriously pondered, at the present juncture, as the time is drawing near when some decided action must be taken upon this great measure upon which, perhaps, may hang the future destiny of our State, in a commercial point of view.

While asking a careful perusal of these letters, the undersigned desire breefly to refer to the advantages of Beaufort Harbor on our coast which will be the Eastern terminus of that great thoroughfare of trade and travel which will be established by the scheme proposed. Merchandise transported from the interior, destined for Morehead City, is now carried in the cars of the A. & N. C. R Road to a point where it is delivered from the cars directly on board of a ship which may be of capacity sufficient to sail to any port in the world. Within thirty minutes after the ship weighs anchor, she may (if the weather be favorable) discharge her pilot at sea. A beautiful Roadstead lies immediately in front of the Depot and extends directly to the sea. Along this Roadstead two hundred vessels, large and small, may ride at anchor in safety during the severest Atlantic storms. In January, 1863, a United States fleet, composed of steamers, barques, and schooners, rode at anchor there forming a beautiful line, three miles in length, of more than one hundred vessels. In that same winter two noble steamers, the Mississippi and the Merrimac, entered there and lay at anchor in this same channel, each of them bearing two thousand tons burthen, and measuring two hundred and eighty feet in length. Vessels ranging from one thousand to fifteen hundred tons burthen frequently visited this port during the late war. The history of the bar shows that from the days of Wimble's survey (1738) to the present time, with the exception of slight occasional changes, it has preserved a uniform depth of water. In connection with these great advantages, we are constrained to call your special attention to the salubrity of the atmosphere. This advantage cannot be over estimated. In healthfulness every point on the harbor will compare favorably with any place on the Atlantic coast. But with such advantages it may be asked why a profitable commerce has not sprung up at this port under the influence of the A. & N. C. R. Road? We answer, for the want of this very measure of Consolidation. Produce and travel which should have found their way to North Carolina ports have been diverted to other points. A good deal has been said about the high insurance to which shipments from and to this port have been subjected. The present rate, we believe, is one per centum; but we have the assurance that upon the establishment of a line of first class steamers to run between this port and New York, (the certain result of Consolidation) insurance *will be reduced to one-half of one per centum.*

We are constrained to believe that until the original plan conceived by the late Dr. Caldwell, forty years ago, of having one great *Consolidated* line of Railway, connecting Eastern with Western North Carolina shall be executed, the grand results anticipated by that great man and other friends of the State, from her works of internal improvement will never be realized.

We are, very respectfully, your obedient servants,

E. R. STANLY,
C. R. THOMAS,
R. F. LEHMAN,
A. G. HUBBARD,
JAMES RUMLY,
WM. B. DUNCAN,
W. DUNN,
R. W. KING,
M. F. ARENDALL,
A. C. DAVIS,
ISAAC RAMSY,
JULIUS A. GRAY,
B. F. PARROTT,
WM. P. GRIMSLY,
M. E. MANLY,
J. H. HAUGHTON.

} Committee.

An Act to be entitled an Act to Consolidate the Atlantic and North Carolina Rail Road Company and the North Carolina Rail Road Company.

SECTION 1. The General Assembly of North Carolina do enact, That the Atlantic and North Carolina Rail Road Company, chartered at the session of the General Assembly in 1852, and the North Carolina Rail Road Company, chartered in 1848-'49, are hereby authorized and empowered to Consolidate so as to form and constitute one Company, with the corporate name and style of the North Carolina Central Rail Road Company, and when the Consolidation of the two Companies aforesaid shall have been consummated in the manner hereafter prescribed, the North Carolina Central Rail Road Company, extending from Beaufort Harbor, North Carolina, to the town of Charlotte, North Carolina, shall be invested with all the powers, rights, immunities, privileges and franchises conferred on the first named corporation, in and by an Act entitled an Act to incorporate the Atlantic and North Carolina Rail Road Company, and the North Carolina and Western Rail Road Company, ratified the 27th day of December, A. D. 1852, and by any amendments thereof, and also with all the rights, powers, immunities, privileges and franchises conferred on the second named corporation, by an Act entitled an Act to incorporate the North Carolina Rail Road company, ratified the 27th of January, A. D. 1849, and by any amendments thereof, and all the property owned or acquired by either of said corporations, shall be taken to be the joint property of the State and the Stockholders of the two companies as hereafter prescribed.

SEC. 2. That at the first meeting of the Stockholders of the corporation aforesaid, a majority of the stock being represented in person or by proxy, each of said companies shall decide by a majority of votes, according to the method prescribed in its charter, in favor of, or against the Consolidation and Union of the two companies aforesaid, and if said companies shall decide in favor of consolidation, it shall be the duty of the respective Stockholders to fix and agree upon the terms and conditions of their consolidation, by a valuation of the stock, property, rights, immunities, franchises and privileges of each, and for this purpose each corporation may appoint a committee of three Stockholders, whose action shall be submitted to the decision of the Stockholders of each company; the union of the two companies aforesaid shall be consummated upon the basis of this valuation, and upon such terms and in such manner as the majority of Stockholders of each company may agree upon, and after their union and consolidation is completed, all the property, real personal and mixed, and all the powers, rights, privileges, immunities and franchises of the two corporations, conferred by their respective charters, and the various amendments thereof, shall vest and be conferred on the united corporations, under the name and style of the North Carolina Central Rail Road Company, and shall belong to the Stockholders thereof.

SEC. 3. That upon the union of said companies in the manner prescribed, the individual stockholders of said North Carolina Central Rail Road company, shall have the right to elect four Directors as prescribed in the charter of the North Carolina Rail Road company, and the State shall be entitled to eight Directors, to be appointed by the Governor of the State, who shall manage the affairs of the said North Carolina Central Rail Road company. A majority of said board of directors shall, out of their number, elect a President of the company.

SEC. 4. That the corporate power of the said North Carolina Central Rail Road company, shall continue and be in force for ninety years from the time of the union and consolidation of the said Rail Road.

SEC. 5. That the two corporations aforesaid shall have the period of two years in which to negotiate, establish and settle the terms of their union and consolidation, and their failure to consummate the union of said companies, shall not be considered final until the expiration of the said period of two years from the ratification of this act.

SEC. 6. No discrimination shall be made by the North Carolina Central Rail Road company, in rates and charges for the carrying of passengers and freights over any part of said road, but the rates charged for freight and travel between intermediate points, and between either terminus and any intermediate point, shall be the same per mile as the rates charged for travel or for like classes and qualities of freights on the whole line of said road; Provided, That the rates shall apply to the line of said road only, and not to through rates in connection with other lines of transportation. Provided, further, That the said company, in addition to the rates per mile charged for the carrying of passengers and freights over the whole line of said road, may, for the carrying of passengers and freights of like classes and quantities between intermediate points, and between either terminus, and any intermediate point, charge the following and no other: For any distance under fifty miles not exceeding twenty-five per cent.; for any distance over fifty and under one hundred miles, not exceeding twenty per cent.; for any distance over one hundred and not exceeding two hundred miles, not exceeding fifteen per cent.; any distance over two hundred and not exceeding three hundred miles, ten per cent. Provided further, That the incurred rates herein authorized between intermediate points, and between either terminus and any intermediate point shall be equal on all parts of said road; and if any officer or agent of said company shall violate the provisions of this section, any

person injured or suffering loss thereby may sue the company, or such officer or agent, in any Court having jurisdiction of the cause, and recover his actual damages and costs, and in addition thereto shall recover the sum of fifty dollars, as liquidation and settled damages.

SEC. 7 This act shall be in force from and after its ratification.

Ratified the 1st day of February, 1869.

STATE OF NORTH CAROLINA, OFFICE SECRETARY OF STATE,
Raleigh, February 12th, 1869.

I, Henry J. Menninger, Secretary of State, hereby certify that the foregoing is a true copy of the original act on file in this office.

H. J. MENNINGER,
Secretary of State.

Communication from Governor John M. Morehead.

[*From the proceedings of the Seventeenth Annual Meeting of the Stockholders of the North Carolina Rail Road Company, July 17th.* 1866.]

To the Stockholders of the North Carolina Rail Road:

The wise and sagacious statesmen who have taken thought as to the best improvement to develope the exhaustless resources and increase the wealth of North Carolina, have uniformly agreed upon the one great work to effect that object, to wit: One great leading trunk line of railway from the magnificent harbor of Beaufort to the Tennessee line.

The great, wise and patriotic philospher and statesman, Dr. Joseph Caldwell, made this improvement the subject of his thought by day and his meditation by night. His visit to Europe and observations there, quickened his zeal and aroused his interest in the work to enthusiasm. His thoughts and his counsels on that subject he has left on record for our benefit. He is gone. The scheme, and his views on that scheme, survive. The great, good and wise Gaston no less zealously advocated this great work.

Charter after charter, by the influence of these great men, was granted to effect the work, but the gigantic work was thought to be too much for the limited means the State and her citizens could then command, and the charters remain monuments of *their* wisdom and our folly or inability to carry them out. A more successful plan, it is hoped, was finally adopted—to do this great work by sections.

The North Carolina Railroad, your section, was the first undertaken. The contracts on that road required contractors to begin on the 1st of January, 1852, and to finish their contracts on or before the 1st of January, 1856. On the 29th of January, 1856, the road-bed was ready for the passage of trains from Charlotte to Goldsboro', a distance of 233 miles. In the meantime other charters were granted for sections of this great work, and the 17th of June, 1858, found the road-bed of the Atlantic and North Carolina Railroad ready for trains from Goldsboro' to Beaufort Harbor, and a few months thereafter found the trains running to within a few miles or Morganton on the Western Extension, with the whole route surveyed to the Tennessee line, and considerable progress made in grading beyond Morganton, which by the line of the survey for the road is distant from the Tennessee line by the French Broad route, some 110 miles, and by the Duckton route some few miles more.

Here let us pause and take a survey of what has been done in *seven* years towards this great work.

From Beaufort Harbor to Goldsboro', the Atlantic & North Carolina Railroad Company have built 96 miles. From Goldsboro' to Charlotte you (the North Carolina Railroad) have built 223 miles.

From Salisbury to within 4 miles of Morganton the Western North Carolina Railroad have built 76 miles, besides a large amount of grading ready or nearly so for the superstructure, making in all 395 miles, from which deduct 43 miles, from Salisbury to Charlotte, and we have actually built of this great line 352 miles in one continuous line.

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Think of it! Seven years!! In the lifetime of a State or nation, seven years is but as a moment in its existence. It would not cover the dawning of its infancy. In the great day of a nation's improvements, seven years would not be the sunrise of that day. We have done this great work in the twilight of our great day of Internal Improvement—a day which dawned so beautifully upon us, but which became enveloped in that gloom which shrouds the nation in mourning.

But let us despair not. That day which dawned so beautifully upon us will yet reach its meridian splendor. Then let us be up and doing that which, we 'ere this, would have done, but for circumstances we could not control.

Already Tennessee is pushing an arm of her Virginia and Tennessee Road from Morristown to the North Carolina line at Paint Rock. She will shortly connect Cleveland with her Ducktown copper mines and the North Carolina line near that place. Shall we meet our lovely daughter at the line and welcome her to the maternal bosom? Surely, we will, and then the hopes, the dreams of the great and good Caldwell and Gaston will be realized.

The trade of Memphis will find its *nearest* and *best* Atlantic port at Beaufort Harbor. East Tennessee will find herself within less than a day's travel of the same port, while the exhaustless mines of Ducktown and our own mountains of minerals will crowd our freighted trains beyond their capacity for transportation.

Can we do it? Yes!! And we will, if your powerful body will only say the word and the Legislature will permit you to do it.

You have the honor of being the pioneers in this great work, executed in sections. Do yourselves now the honor to consolidate the whole and complete the original design. You, the most powerful and most independent of the three corporations, can, with much grace, propose to your sister corporations consolidation upon terms of justice and equity, manifesting selfishness in naught but your name. Yield not that. The new consolidated corporation should be still "The North Carolina Railroad Company." This will be a corporation worthy of you, of your State and of the great destinies that await it.

It has been proposed to permit the western section to go into hands that will complete it. Resist the proposition with all your might, strength and influence, except it be to bring it into the consolidated corporation. Let no corporation stand between you, and the trade of the vast West, within you own State.

You may ask, will the consolidated corporation be able to complete the line. Unquestionably it will. It will be a corporation possessed of property already costing some eight or nine millions of dollars, well and cheaply invested. The consolidated debt of all these corporations will be a mere trifle compared with its ability to pay, and with its great capital and large income it will meet with but little difficulty in raising the means to defray present indebtedness and to complete the line. And when completed, who can predict the vast consequences resulting from its completion?

I desire to put the prediction upon record, as I now do, that if this scheme of consolidation is successfully carried out, that in less than five years after its completion, the net income of a single year will pay every debt now owed by the three corporations; that the net income of the next two successive years will pay the whole cost of the completion of the road to the Tennessee line by the nearest route; and the next year or two years' net profit will pay the whole cost of the road from the fork to the Tennessee line by the other route; which will be the more direct and profitable line—the construction of both of which lines, in due time, I would most earnestly recommend.

I take it for granted, opposition to the consolidation of the roads will arise. To witness the struggle of the lines now connecting with your road, for the little straggling freight that now passes over it, is presumptive evidence that they will resist consolidation, lest all the freight will pass directly to the ocean by your own line. Heed them not! Consult only the great interest of your own State and of yourselves and thereby you will consult even the interests of these opposing lines, if they but knew it.

The drippings and leakage, by the wayside of this great, overtaxed freight trunk

line will give them more freight than your whole road now yields them. Besides, this higgling and underbidding about the price of freight will cease.

With this great freight line terminating on your *own* excellent harbor, what commercial advantages may we not hope for?

But there are those who pretend to doubt the capacity of our harbor for extended commerce. Refer such sceptics to the fleet of upwards of *three hundred* war vessels and transports which so lately rode safely on its bosom. Our own lines of weekly and monthly steamers will carry our own produce, in our own vessels, from our own port across the Atlantic.

We shall then avoid those wasting exactions made at the North in the charges for freight, fire insurance, marine insurance, advertising, city taxes, wharfage, drayage, storage and labor, with the commissions on the whole, which often leaves scarcely enough to pay the express company for bringing back what they foot up as "*net proceeds.*"

With this great trunk line in full operation, a weekly line of steamers could find continual employment to foreign ports. And, if to its interests to do so, this powerful corporation could establish the line in a few years by its own means.

Should you doubt the policy of embarking in the construction of the Western Extension at this time, *consolidate the two Roads already completed and witness the advantages derived therefrom.*

Doubtless the Legislature will grant the desired charter, if a Committee of your body were to ask for it, in your behalf, and your eastern friends of the Atlantic and North Carolina Railroad would leap for joy at the prospect of so much freight crowding their road.

It will take some time to get the matter judiciously arranged and the sooner the subject is agitated, the sooner action will take place upon it.

Very respectfully your obedient servant, J. M. MOREHEAD.

[*From the North Carolina Standard.*]

Railroad Consolidation.

MESSRS. EDITORS:—I observe that a bill has been introduced, in the Senate, having for its object the consolidation of the Atlantic and North Carolina Railroad, and the North Carolina (or Central) Railroad; and as I consider it one of the most important measures that has yet engaged the attention of the Legislature, I beg leave to submit a few considerations why the bill should pass.

When each of these Roads was proposed, and a subscription on the part of the State was asked, the inducement was held out, and appeal was made to the patriotism of citizens as well as legislators, on the ground that it would be a grand *trunk road*, and that it would build up a port in the State; that it was a realization of the well-considered scheme of those illustrious friends and advocates of progress and internal improvement in North Carolina, Joseph Caldwell and William Gaston. The weight of their honored names was given to the enterprise. The writings of the one, and the speeches of the other were quoted, and the cry then was Beaufort and the mountains! The measure was carried against strenuous opposition—millions of dollars were appropriated by the Legislature, and expended. The roads were built, and what do we see? So far as commercial intercourse is concerned, Beaufort is as far from the mountains as ever.—The intention of the builders of the roads are frustrated by want of concert of action in the management of those improvements. If you doubt it, send a barrel of potatoes from Raleigh to a friend at Morehead City, or try to get a barrel of fish from Beaufort to Salisbury, and you will find that by using the Virginia railroads, you can get it as cheaply and as expeditiously from New York. Why is this? Simply because every facility is given to running in connection with Virginia railroads, and every impediment and obstacle thrown in the way of freight going

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to or coming from a North Carolina port. As things are now managed your freights going to or coming from New-Berne or Morehead City, gets to Goldsboro', where it is stopped until it can be moved from the cars of one company to those of another. By this management, freight which leaves Morehead or New-Berne in the morning, and should reach Raleigh in the afternoon of the same day, is commonly three days in reaching its destination. Now this would be obviated if both roads were under one and the same management, and worked in concert.

Again, if this consolidation of management and interests were brought about, a trade would flow to New-Berne and Morehead which would soon give employment to a daily line of steamers to the city of New York. Do you ask "where are the steamers to come from?" I reply that with so good and safe a harbor as Morehead City, private enterprise and Northern capital will furnish the steamers as soon as the trade will justify it. All the freights, both outgoing and incoming would go by that route, because it is the shortest, the most direct and consequently the cheapest. This would be particularly true of heavy freights, as they naturally seek water by the shortest route, for on going aboard ship they are charged according to bulk and not by weight. In addition to this, every railroad man will tell you that a road daily freighted to its full capacity, can put freights down to a much lower figure than one where the freights are fluctuated in quantity.

If the products of the State, in the counties naturally tributary to these roads, were carried over their whole length, they would give them employment. Men of capital and enterprise would be attracted to Morehead and settle there; and the day would not be distant before that port, never obstructed by ice, and in a climate where a rigorous winter does not obstruct business, in a direct line between Memphis and Liverpool, would be the port from which the cotton of the Mississippi would be exported, at a less expense, and reaching in European market sooner than from any other in the United States. Saving in time and distance involve a saving in interest on the money value of the crops, and enhance their value.

But we should not only build up a port, but we should open the way for many industrial pursuits which are not now attempted in this State. We cound supply the Northern cities with the earliest and latest fruits and vegetables, and lands lying along the line of the roads would be eagerly sought for truck-farms, and as the returns from such farms come much oftener than those of staple-raising farms, many men whose capital is small could go into that business who are now unable to farm.

The expenses of the consolidated roads would be much less than under the present management. Then we should have one President instead of two, and one Superintendent instead of two, one principal shop for building cars and making extensive repairs, instead of two, and so on. Then every inducement would be offered, and every exertion made to have freight go along the whole line of the road, instead of offering a premium to shippers to send it by other routes. All the money paid out for land freights would be retained in the State, and go to enrich our own citizens, and add to the wealth of the State, instead of going abroad. Consolidation is popular in other States, and it is found that the longest roads are the most profitable because they can be operated at the least expense and with the most certainty and reliability.

Our railroads ought to pay large dividends to the State on the stock owned by it, and to relieve the treasury from a heavy burden; but instead of that they barely pay expenses and do not declare any dividends.

As a stockholder in the North Carolina Railroad I desire to see this measure fully and fairly tried. I hope to see the days when a car locked at Charlotte will not be opened until it arrives at the wharf at Morehead City; and then, if the resusts do not answer expectations, we can easily fall back upon the plan which is now in operation, of forsaking our own ports and seeking those of other States.

A Stockholder
In the North Carolina Railroad.

CONSOLIDATION

OF THE

Atlantic & N. C. R. R. Co. and the N. C. R. R. Co.

North Carolina is capable of becoming a great *commercial* State, and her system of railroad improvement ought to be enlarged, perfected and managed upon this view, and to this end. This thought has been heretofore often expressed by great and leading men, who were alive to the welfare and interest of the State, and who were ready to aid unselfishly in carrying it into practical operation. It is now uppermost in the minds of the people, who desire and look to the future substantial and permanent growth in population, wealth and usefulness of their State. A just and worthy State pride cherishes it. Every native North Carolinian, and every one who comes to make the State a home for himself and his children and be a North Carolinian, wishes to see this thought now carried out, and is now looking to the action in this direction of the present General Assembly with the deepest interest.

The "bill to consolidate the Atlantic and North Carolina Railroad Company and the North Carolina Railroad Company," so as to authorize the formation of one "North Carolina Central Railroad Company," if passed, will lead ultimately, surely to the building up of a great seaport city in the State, to a combination of capital and population and influence which will be felt for good in our coming history. The passage of the bill will be but a first step which the State will take forward, never to take it again backward, in the right direction, beyond the little local jealousies and apparently conflicting interests of its own people who would "diversify" and waste and ruin her and their own prospects and hopes, and away from the grasp of avaricious men and States bleeding her as a sickly, dependent territory between Virginia and South Carolina.

With regret I have read, recently, communications in your paper from the President of the North Carolina Railroad Company and from anonymous correspondents, intended, perhaps, though little calculated, to defeat this great measure. I do not wish to dispute with them. I respectfully suggest to them a more decent respect for the opinions of such men as Caldwell, Morehead, Gaston and Murphy, who lived and died with opposite and better views—views more worthy of the study of our intelligent and unselfish people. They are mistaken, and perhaps misled, for want of that which these great men possessed,—enlarged and liberal minds and a clear judgment unwarped by party or sectional jealousy, prejudices, passion or interest—on the subject of their State's improvement. Gov. Morehead, in his communication to the stockholders of the N. C. Railroad in July, 1866, (which should be read by every friend of internal improvement in the State) has written: "the wise and sagacious statesmen who have taken thought as to the best improvement to develop the exhaustless resources and increase the wealth of North Carolina, *have uniformly agreed upon the one great work to effect that object*, to-wit: one great leading trunk line of railway from the magnificent harbor of Beaufort to the Tennessee line." And I would quote also his fitting language for the friends *against* the *opponents* of "consolidation." "Heed them not. Consult only the great interest of your State and of yourselves, and thereby you will consult even the interests of those opposing it, if they but knew it."

This great friend and untiring worker for improvement in North Carolina, whose latter life was given to building up his State's material prosperity, had not, as your "Radical Railroad" correspondent imagines, "Beaufort on the brain," but he had rather North Carolina on the brain, from which sprang into full life and vigor her manliest form of internal improvement,—the North Carolina Railroad. Though dead, he yet speaks to the present General Assembly "*consolidate* your broken and divided lines of trunk railway and realize the predictions of greatness and prosperity for the State, which I made, and which I desired—but lived not to witness." I commend his views to the opponents of consolidation and the views of President Caldwell who probably was not embarrassed in his investigations of truth in relation to State internal improvement by any side questions as to who should be President of his grand State railway; what particular city, town or neighborhood, whose parcel of land or speculative interest might be benefited; nor by any biased advocates of "private enterprise always *shrewder* than public policy," whose

game of selling out and ruining the State will, like murder, out, sooner or later, to their disappointment and disgrace, and that of all those who aid and sympathize with them in their foul attempts at a most foul crime, to sell out the poor old State and make themselves rich by her poverty.

My purpose is to invite attention to the subject of paramount importance to the Republican party as well as the State, which will be held responsible for the action of the present General Assembly in regard to the bill for consolidation. I might present some facts, perhaps, arguments in favor of the matter, but I believe that the mind of the people is made up, and that *consolidation* is soon to be an accomplished fact. No mere objections will remove the force of an irresistible conviction that the State, the State itself must shape and control its own works in the cheapest, most practicable and profitable way, by using, not forcing, them to develop all its resources of agriculture, mining, manufacturing and commerce, the last being the greatest and surest means to her greatness as may be seen from every stand point.

No intelligent man doubts, or needs doubt, that the State has the best and most capacious harbor South of Cape Henry. No railroad man of experience and disinterested mind will deny that the railroads when consolidated, can be, and must be operated much more cheaply, quickly and conveniently for transportation of things and persons. Each corporation separated now, really is doing as profitable and as great an amount of transportation as the sanguine friends of either could hope for, in the present state of the country, and impoverished condition of the people. The prospects of each brighten as the State and country become settled, and trade and labor resume their wonted ways. They cannot be worked well *separately*, upon any system yet devised, of contract for mutual "through freight," "through trains," &c.

In this connection I would quote the concluding portion of the Report of the President and Directors of the Atlantic & N. C. Railroad Company to the Stockholders of that Company in June, 1866, in support of this view and as showing the views of disinterested persons in relation to the subject then:

"Two steamship lines, the one by way of Newbern, the other by way of Morehead City, both from New York, have contributed largely to the through freight of the road. These steamship lines should receive encouragement and aid from both the North Carolina Railroad Company and your own; because in the opinion of the Board of Directors, the system of through freight, from New York especially, to the interior of the State, which steam vessels will best maintain and build up, is that system upon which the North Carolina Railroad, to a large degree, and the Atlantic and North Carolina Railroad, almost entirely, must depend for future success.

"Whilst efforts have been made to promote safe, expeditious and economical through transportation, by agreements, as to "through cars," "through tariff rates" and through tickets, on the part of both the North Carolina Railroad Company, and the Atlantic and North Carolina Railroad Company,—these efforts have been attended with but partial good results. The difficulties in the way are inherent in the management of separate corporations. The two corporations ought to be one. And the question of "consolidation," of the North Carolina Railroad and the Atlantic and North Carolina Railroad, is, in the opinion of the Board of Directors, one that should receive your early consideration. Let there be a conjunction or "consolidation" of these roads, and there would grow an united and strengthened interest in the success of the entire line, as one line from Charlotte to Morehead City. The stock of both Companies interested would be appreciated, as the business of both would be improved. Such an union of capital and interest would stimulate domestic commerce,—would ultimately induce foreign commerce, and would greatly advance and build up a commercial prosperity for North Carolina, without detriment to any of her works of internal improvement.

Respectfully submitted,

C. R. THOMAS, *President.*

The then President and Directors were in no wise interested in any local question pertaining to the management of a consolidated Railroad—no speculative movement or interest. The present President and Directors of this road now favor the same general plan and purpose, not specially for their section or company, or either corporation, but for the joint advantage of the Companies, the State and its whole people. They have North Carolina "on the brain" and desire singly to promote her interest, prosperity and honor. They want a State—a new North Carolina growing in consolidated material wealth, prosperity and glory—along with, in and part of her united, great and one country. May they live to witness and enjoy a "consummation devoutly to be wished" by every North Carolinian.

All the objections that I have heard or read, as urged against a consolidation of the roads, in general, apply to the roads under separate management. But one objection is urged that the Atlantic and North Carolina Railroad would be a "dead weight" to carry. This is an assumption, if not a misstatement, made from ignorance of the operations of the road and its present

condition. This road, (the Atlantic and North Carolina Railroad,) has been doing, and it is now doing, as well as any State road, except the North Carolina Railroad, and but for the unjust discriminations of the latter in respect to other roads, would do quite as well as any road. The company now owe about $250,000, and are operating their road, at this time, so as to be able to pay the interest on their debt, and with good prospect of doing still better.

An assumption is urged that the consolidated company would operate their road to force freights, &c., over their line by unjust discriminations against contiguous lines of road The idea of forcing trade is obsolete. Trade will go where capital invites or commands it to go, and what is wanted by us *now* is consolidation of capital and influence to invite and command it to come and go from our own seaports. A home market wherein as in Northern cities, the products of agriculture, of manufacturing, &c., may be purchased as cheaply as from the original place of their growth or making, as is often done—and wherein our own industry may find protection and aid, is needed. "Consolidation" will give it, sooner or later, to the State, and it will give also increased profits and advantages to all her people who are especially as tax-payers deeply interested in the matter. If the N. C. Railroad Company has declared a dividend of $180,000 from the operations of 175 miles of their road, it will at least be able to declare a dividend of $328,000 from the operations of 319 miles of consolidated road to the State, which amount might be relied upon for the payment of the expenditures of the State government, as in Georgia and other States. From every $5,80 of profit made by a consolidated road the State would receive $4,36, and no giving or lending of the credit of the State would probably be needed in future by such a corporation, so united and strengthened as it would be by consolidation. No outlay of money would be required by reason of such consolidation for the purpose of securing better steamers than have heretofore been had. These steamers of as good class and capacity as carry between New York and any place South of there would be commanded at once, and such a number would be put on as to afford daily, certainly tri-weekly transportation.

I write what, I am assured, is true, that by means of consolidation, transportation in and out would be done more cheaply, at less rates of insurance and of freight, more quickly and more certainly than ever before in the history of our State Railroads. And facilities for transportation so gained would be maintained, enlarged and improved to the general profit and advantage of every interest of the State.

A Friend of Internal Improvement.

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